Veresdale Ltd v Doerwyn Ltd

HIGH COURT (KUALA LUMPUR) — ORIGINATING SUMMONS NO 24IP-24–10 OF 2013
AZIZAH NAWAWI JC
29 APRIL 2014

Patents — Industrial designs — Registered designs — Whether parts of automobile were 'industrial designs' capable of registration under the Industrial Designs Act 1996 ('IDA') — Whether fact parts were integral parts of automobile and had impact on general shape and appearance of whole vehicle excluded them from registration under IDA — Industrial Designs Act 1996 s 3(1)(b)(ii)

The defendant had registered as industrial designs under the Industrial Designs Act 1996 ('the Act'), four parts of a new automobile it was developing in collaboration with the plaintiff before disputes between the parties set in. The parts registered were the hood, the front and rear bumpers and the grille of the proposed vehicle. The plaintiff's instant application was neither to revoke the registration of the said designs under s 27 of the Act nor to rectify the register under s 24 of same (the parties took a common stand that they were not impugning the decision of the Registrar of Industrial Designs) but to seek the court's declaration that the four parts did not fall within the meaning of 'industrial design' in s 3(1) of the Act and therefore their registration under the Act was invalid. Section 3(1) defined 'industrial design' to mean features of shape, configuration, pattern or ornament applied to an article by any industrial process or means ... but does not include (a)...(b) features of shape or configuration of an article which (i)...(ii) are dependent upon the appearance of another article of which the article is intended by the author of the design to form an integral part. It was common ground between the parties that the hood, front and rear bumpers and the grille were integral parts of the automobile they were developing and that those parts had an impact/effect on the general shape and appearance of the whole vehicle in question. The instant application was, inter alia, premised upon s 41 of the Specific Relief Act 1950.

Held, allowing the application:

(1) Since it was not in dispute between the parties that the car parts in question were integral parts of the automobile and that they had an effect on the overall appearance of the automobile, the parts were excluded from registration under the IDA, specifically by s 3(1)(b)(ii) thereunder (see paras 20, 24 & 25).

[Bahasa Malaysia summary

Defendan telah mendaftarkan sebagai rekaan bentuk perindustrian di bawah Akta Reka Bentuk Perindustrian 1996 ('Akta'), empat bahagian kereta baharu yang direkanya dengan kerjasama plaintif sebelum pertikaian di antara pihak-pihak bermula. Bahagian-bahagian yang didaftarkan adalah hud, bahagian hadapan dan belakang bampar dan gril kenderaan yang dicadangkan tersebut. Permohonan plaintif ini adalah bukan untuk membatalkan pendaftaran reka bentuk tersebut di bawah s 27 Akta ataupun membetulkan pendaftaran di bawah s 24 Akta yang sama (pihak-pihak bersepakat bahawa mereka tidak mempersoalkan keputusan Pendaftar Reka Bentuk Perindustrian) tetapi untuk memohon perisytiharan mahkamah bahawa keempat-empat bahagian tidak terangkum di bawah maksud 'industrial design' dalam s 3(1) Akta dan oleh itu pendaftaran mereka di bawah Akta adalah tak sah. Seksyen 3(1) mendefinisikan defined 'industrial design' untuk bermaksud features of shape, configuration, pattern or ornament applied to an article by any industrial process or means ... but does not include (a)...(b) features of shape or configuration of an article which (i)...(ii)are dependent upon the appearance of another article of which the article is intended by the author of the design to form an integral part. Ia adalah alasan yang sama di antara pihak-pihak bahawa hud, bahagian depan dan belakang bampar dan gril adalah bahagian penting kenderaan yang dibangunkan mereka dan bahagian-bahagian tersebut mempunyai kesan atas bentuk umum dan rupa keseluruhan kenderaan yang dipersoalkan tersebut. Permohonan ini adalah, antara lain, berdasarkan s 41 Akta Relief Spesifik 1950.

Diputuskan, membenarkan permohonan:

(1) Memandangkan ia bukan dalam pertikaian di antara pihak-pihak bahawa bahagian-bahagian kereta yang dipersoalkan adalah bahagian penting kenderaan dan ia mempunyai kesan ke atas keseluruhan penampilan kenderaan, bahagian-bahagian tersebut dikecualikan daripada pendaftaraan di bawah Akta terutamanya di bawah s 3(1)(b)(ii) (lihat perenggan 20, 24 & 25).]

Notes

For cases on registered designs, see 10 *Mallal's Digest* (4th Ed, 2013 Reissue) paras 1200–1201.

Cases referred to

Ford Motor Company Limited and another, re [1993] RPC 399, Ch D (folld)
Pentadbir Tanah Daerah Pontian & Ors v Ossons Ventures Sdn Bhd [2009] 6 MLJ 182; [2009] 6 CLJ 713, CA (folld)

Legislation referred to

Copyright, Designs and Patents Act 1988 [UK] s 1(1)(b)(ii)
Industrial Designs Act 1996 ss 3(1), 3(1)(b)(ii), 11(1), 24, 27
Rules of the High Court 1980 O 15 r 16
Specific Relief Act 1950 s 41

PC Kok (PC Kok & Co) for the plaintiff.
KK Peh (Josephine LK Chow & Co) for the defendant.

Azizah Nawawi JC:

THE APPLICATION

[1] In this originating summons, the plaintiff is seeking the following orders:

(a) a declaration that industrial design registrations No MY 12–01583–0101, MY 12–01584–0101, MY 12–01585–0101 and MY 12–01586–0101 registered for parts for automobile is not an 'industrial design' as defined in s 3(1) of the Industrial Designs Act 1996.

(b) a declaration that industrial design registrations No MY 12–01583–0101, MY 12–01584–0101, MY 12–01585–0101 and MY 12–01586–0101 registered for parts for automobile is invalid and cannot be registered the Industrial Designs Act 1996 because it is not an industrial design according to the definition of 'industrial design' in s 3(1) Industrial Designs Act 1996.

[2] The application is supported by an affidavit affirmed by Teo Su Chung on 18 October 2013. An affidavit in opposition was affirmed by Peh Khaik Kew affirmed on 8 November 2013. In reply, the plaintiff filed an affidavit affirmed by Kok Pok Chin on 11 November 2013.

THE SALIENT FACTS

[3] From the submission of parties, the facts disclosed that the plaintiff was working in collaboration with the defendant to develop a new automobile and its various components and parts. In the course of such collaboration, certain disputes have arisen. Mediated negotiations were held and all issues have been resolved with one issue remaining outstanding.

[4] Both parties have agreed to refer to this court for the determination of the outstanding issue, which is whether the design (features of shape and configuration) of the car/automobile parts is or is not registrable as an 'industrial design' under s 3(1) of Act 552.

[5] The automobile parts registered by the defendant are as follows:

(a) 'Hood For Automobile' — exh 'B' — industrial design registration No MY 12–01583–0101;

(b) 'Front Bumper For Automobile' — exh 'C' — industrial design registration No MY 12–01584–0101.

(c) 'Rear Bumper For Automobile' — exh 'D' — industrial design registration No MY 12–01585–0101.

(d) 'Grill For Automobile' — exh 'E' — industrial design registration No MY 12–01586–0101.

[6] It is not in dispute that the 'Hood', 'Front Bumper', 'Rear Bumper' and 'Grill' are parts for automobile/car as the certificates for registration states that they are 'for automobile'.

[7] From the affidavit affirmed by Teo Su Chung on 18 October 2013, the plaintiff states as follows:

(a) The design or features of shape and configuration of the components or parts of an automobile as shown in exhs 'B', 'C', 'D' and 'E' above (comprising of the 'hood', 'front bumper', 'rear bumper' and 'grill' for the automobile) must follow the overall and general design, shape and appearance of the automobile as a whole. The shape and configuration of those parts or components of the automobile is constrained by the appearance of the automobile as it forms part of and contribute to the overall shape and appearance of the automobile. The design, shape and configuration of those automobile parts as shown in exhs 'B', 'C', 'D' and 'E' affects the general shape and appearance of the automobile.

(b) The shape and configuration of the 'hood', 'front bumper', 'rear bumper' and 'grill' is directed and dictated by the general shape and appearance of the automobile as they are specifically shaped and designed in such a way to correspond with and to match the contour, outline and appearance of the automobile. They cannot be used for any other automobile developed by others and they can only be used specifically to match the automobile for which they are designed and intended for. The features of shape and configuration of those parts of the automobile as shown in exhs 'B', 'C', 'D' and 'E', are the integral part of the automobile as it gives the automobile its essential and intended shape and appearance.

(c) The feature of shape and configurations of those automobile parts (shown in exhs 'B', 'C', 'D' and 'E' above) are integral to, intended to form part of and to contribute to the general and essential appearance of the automobile. In short, the features of shape and configuration of the

subject automobile parts as shown and registered in the defendant's industrial design registrations No MY 12–01583–0101, MY 12–01584–0101, MY 12–01584–0101 and MY 12–01585–0101 is dependent and is conditional upon and to a very significant extent is forced upon or is required by the appearance of the automobile within which it is an integral part. The defendant's designs as shown in the design registration are therefore required by the appearance of the automobile and are dependent on it. Thus, the requirements of the automobile leave no choice or discretion as to what shape and configuration of the said automobile parts must be. The designer and author of the subject automobile parts have to author the design and designed the said automobile parts to match the appearance and design of the automobile. The features of shapes and configuration of the subject automobile parts is restricted to the appearance of the automobile as a whole.

(d) The features of shape and configuration of these automobile parts shown in exhs 'B', 'C', 'D' and 'E' above is meant to blend with the design of the automobile as a whole, are required by the appearance of the automobile and therefore dependent on it.

[8] The defendant did not dispute the facts enumerated above, but states in an affidavit affirmed by Peh Khaik Kew on 8 November 2013 that since the registration was granted, the registration is valid.

THE FINDINGS OF THE COURT

[9] It is common ground that the only issue before this court is whether the features of shape and configuration of the automobile parts (hood, front bumper, rear bumper and grill) are registrable industrial design under Act 552.

[10] Pertinent in this case is the application of s 3(1) of the Act 552, which defines industrial design to mean:

3(1) In this Act, unless the context otherwise requires:

'industrial design' means *features of shape, configuration, pattern or ornament applied to an article* by any industrial process or means, being features which in the finished article appeal to and judged by the eye, *but does not include*:

(a) a method or principle of construction; or

(b) *features of shape or configuration of an article which*:

(i) are dictated solely by function which the article has to perform; or

(ii) *are dependent upon the appearance of another article of which the article is intended by the author of the design to form an integral part*. (Emphasis added.)

[11] It is also common ground that the hood, front bumper, rear bumper and grill are integral parts of the automobile and that such parts have an impact on the general shape and appearance of the whole automobile in question.

[12] In fact in para (5) of the written submission of the defendant, it is submitted that:

> Whilst it is *admitted that the shape and configuration of the hood, front bumper, rear bumper and grill are integral parts of an automobile and that such parts have an effect on the appearance of an automobile*, our principal submission is that the learned Registrar of Industrial designs in Malaysia ('the learned Registrar') had no objection towards the registration of the hood, front bumper, rear bumper and grill as industrial designs under the IDA 1996. (Emphasis added.)

[13] It is therefore the submission of learned counsel for the defendant that by virtue of the issuance of the certificate of registrations for the disputed designs, 'nothing heeds to be further said, and it is the defendant's concluding submission that the plaintiff's application herein be dismissed with costs.'

[14] I am of the considered opinion that the issuance of the certificate of registrations by the registrar does not make the registrations to be absolute, as various provisions in Act 522 allows the registration to be challenged in court. Section 24 allows an aggrieved party to apply to the court for the rectification of the register, and the court may expunge or vary the impugn entry. Section 27 allows any party to apply to court to revoke or to cancel the registration of an industrial design, and in such application, the court is empowered to make such orders as it considers just.

[15] Therefore, it cannot be said that the issuance of the certificate of registrations by the registrar makes the registrations absolute and that the same cannot be challenged in court. It can never be the intention of Parliament to grant absolute powers in the registrar in such matter.

[16] However, the registrar has not been named as a party in this case as this is not an application to rectify the register under s 24 of the Act 522, and neither is it an application to revoke the registration under s 27 of the same Act.

[17] This is just an application by the parties in the dispute seeking a clarification as to whether the features of shape and configuration of the automobile parts (hood, front bumper, rear bumper and grill) are registrable industrial designs under Act 552. This application is premised on s 41 of the Specific Relief Act 1950, which reads as follows:

> Any person entitled to any legal character, or to any right as to any property, may institute a suit against any person denying or interested to deny, his title to the

character or right, and the court may in its discretion make therein a declaration that he is so entitled, and the plaintiff need not in that suit ask for any further relief.

[18] The parties herein did not take any issue as to whether the only modes of challenge with regards to the registration of industrial designs are confined only to the application of ss 24 and 27 of the Act 552. The parties took a common stand that they are not impugning the decision of the registrar but want to know whether the features of shape and configuration of the automobile parts (hood, front bumper, rear bumper and grill) duly registered by the defendant, are registrable industrial designs within the legal definition under s 3(1) of the Act 552. It is also the common stand of the parties that following the decision of the court, the matter will be settled by the parties.

[19] Under s 11(1) of the Act 522, the original owner of an industrial design is entitled to make an application for the registration of the industrial design, and the industrial design that can be registered is defined in s 3(1) of the same Act. Pursuant to s 3(1)(b)(ii) of the Act 522, it is clear that an 'industrial design' is excluded from registration if the features of shape or configuration of an article are dependent upon the appearance of another article of which the article is intended by the author of the design to form an integral part.

[20] In the present case, since it is not in dispute that the car parts ('hood, front bumper, rear bumper and grill') are dependent upon the appearance of another article ('the car') is intended by the author of the design to form an integral part of the whole car, then those hood, front bumper, rear bumper and grill are excluded from registration under Act 522.

[21] Further, it is also not in dispute that the definition of 'industrial design' in s 3(1) of the Act 522 is pari materia with s 1(1)(b)(ii) of the English Copyright Designs and Patents Act 1988 which reads:

> 1 (1) In this Act 'design' means features of shape, configuration, pattern or ornament applied to an article by any industrial process, being features which in the finished article appeal to and judged by the eye, but does not include:
>
> (a) ...
>
> (b) features of shape or configuration of an article which:
>
> (i) ...
>
> (ii) are dependent upon the appearance of another article of which the article is intended by the author of the design to form an integral part.

[22] This English provision was considered by the Registered Designs Appeals Tribunal in the case *Ford Motor Company Limited and another, re*

A [1993] RPC 399 where Julian Jeffs, Esq, QC sitting as a deputy High Court judge of the Chancery Division held at pp 419–420:

> ... I shall now consider section 1(1)(b)(ii) — the 'must match' section.
>
> In the context of this case, 'another article' must refer to the vehicle as a whole. Various possible meanings of the word 'integral' have been urged upon me, but giving the words their normal English meaning, the door panel is the 'first article' and the other 'article', of which the article is intended by the author of the design to form an integral part, is the vehicle. The door panel is part of the door and the door forms an essential, integral, part of the vehicle ... From its inception, the door was intended to form an integral part of a completed vehicle ... Such components are 'must match' and are unregistrable owing to the provisions of section 1(b)(ii) of the Act.

[23] Therefore, premised on the case of *Ford Motor Company*, under s 1(1)(b)(ii) which is pari materia with our s 3(1)(b)(ii) of the Act 522, the tribunal held that the 'must match' exclusion means that where an article (the door panel) is intended to form an integral part (of the vehicle), the said article (the door panel) is excluded from registration.

[24] In the present case, premised on the concession by the defendant that '... it is admitted that the shape and configuration of the hood, front bumper, rear bumper and grill are integral parts of an automobile and that such parts have an effect on the appearance of an automobile ...', then pursuant to the 'must match' exclusion, the hood, front bumper, rear bumper and grill must be excluded from the registration.

[25] Therefore, I am of the considered opinion that since the hood, the front bumper, the rear bumper and the grill are the integral parts of the automobile and that those parts have an effect on the appearance of an automobile, the same cannot be registered under Act 552, as they are statutorily excluded by s 3(1)(b)(ii) of the Act 522.

[26] The final issue is whether the declarations sought must be granted by this court, bearing in mind that Parliament had enacted s 24 and s 27 of Act 522 to challenge the registration of the defendant's industrial designs.

[27] In this application, the parties are seeking clarification as to whether the industrial designs, which form part of the collaboration works between the parties can be registered as industrial designs under Act 522. This application is premised on s 41 of the Specific Relief Act 1950 which empowered this court to declare the rights between parties. In *Pentadbir Tanah Daerah Pontian & Ors v Ossons Ventures Sdn Bhd* [2009] 6 MLJ 182; [2009] 6 CLJ 713, the Court of Appeal held that:

[38] A declaration is an all purpose remedy and it is applied to a 'wide variety of cases in terms of subject matter' (per Raja Azlan Shah Acting LP (as His majesty then was) in *Dato' Menteri Othman Baginda v Dato' Ombi Syed Idrus* [1981] 1 MLJ 29; [1984] 1 CLJ 28; [1984] 1 CLJ (Rep) 98).

[39] In essence, *declaratory judgment would state the legal rights of the parties and in suitable cases the courts would supplement it with other remedies.* But declaratory judgments merely state some existing legal position; it does not require anyone to do anything. It is germane to mention that declaration is a discretionary remedy and it varies from case to case.

[40] In this connection, O 15 r 16 of the Rules of the Court 1980 also gives a wide power to the court to issue a declaration that reads as follow:

No action or other proceedings shall be open to objection on the ground that a merely declaratory judgment or order is sought thereby, and the court may make binding declarations of rights whether or not consequential reliefs is or could be claimed.

[41] ...

[42] Section 41 of the Specific Relief Act 1950 together with O 15 r 16 of the Rules of Court 1980 makes it crystal clear that the court has discretion to make a declaration of any legal character and the plaintiff need not in the suit ask for any further relief.

[28] Premised on my findings above and the decision of the Court of Appeal in *Pentadbir Tanah Daerah, Pontian* I will exercise my discretion in granting the declaratory prayers sought by the plaintiff in the originating summons.

Application allowed.

Reported by Ashok Kumar